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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

UNITED STATES OF AMERICA,)	CASE NO.
)	
Plaintiff,)	VERIFIED COMPLAINT FOR FORFEITURE
)	
v.)	
)	
APPROXIMATELY \$26,990.26 IN UNITED)	
STATES CURRENCY,)	
)	
Defendant.)	

NATURE OF THE ACTION

1. This is a judicial forfeiture action, as authorized by Title 18, United States Code, Section 981(a)(1)(C), involving the seizure of approximately \$26,990.26 in United States currency (hereinafter “the defendant currency”) that was seized as property that constituted or was derived from proceeds traceable to wire fraud, a violation of Title 18, United States Code, Section 1343, and/or as property involved in money laundering, a violation of Title 18, United States Code, Sections 1956 and 1957.

JURISDICTION AND VENUE

2. This Court has jurisdiction under Title 28, United States Code, Sections 1345 and 1355(a).

3. This action is timely filed in accordance with Title 18, United States Code, Section

1 983(a)(3)(A).

2 4. Venue is proper pursuant to Title 28, United States Code, Sections 1355(b) and 1395,
3 because the acts or omissions giving rise to the forfeiture took place in the Northern District of
4 California.

5 5. Intra-district venue is proper in the Oakland Division within the Northern District of
6 California.

7 **PARTIES**

8 6. Plaintiff is the United States of America.

9 7. The defendant is approximately \$26,990.26 in United States currency.

10 **FACTS**

11 8. In or around August 2016, Reed Wallace and Johannes Westbroek were introduced to the
12 owners of Berkeley Bowl Produce (hereinafter "Berkeley Bowl"), Glenn Yasuda and Gen Yasuda. At
13 the time, Berkeley Bowl was partnering with Garrison Technologies to form a new company called GTI.
14 Garrison Technologies had developed a technology to grow produce indoors. This technology was
15 unique and with the farming expertise of Glenn Yasuda the partnership was ideal.

16 9. Glenn Yasuda planned on financing the start-up himself; however, Wallace and
17 Westbroek promised they could bring in \$20,000,000 pre-IPO funds to finance the start-up. In addition,
18 Wallace and Westbroek promised that they would prepare the company for a European IPO in April
19 2017. Wallace and Westbroek asked for \$1,000,000 in funding from Glenn Yasuda to cover costs
20 associated with raising the pre-IPO money.

21 10. Wallace and Westbroek purported to know a lot of very wealthy individuals in Europe
22 who would be more than willing to invest in a company like GTI. In addition, these investors would be
23 willing to invest with no rate of return.

24 11. On August 9, 2016, Wallace and Westbroek met with Yasuda and other Berkeley Bowl
25 Employees to discuss the future plans of the company. During this meeting, a presentation prepared by
26 Westbroek was shared. The presentation included a detailed schedule documenting exactly where Glenn
27 Yasuda's \$1,000,000 would be spent. The schedule included items necessary for Wallace and
28 Westbroek to get established over in Europe, set up companies over in Europe, prepare for the upcoming

1 IPO, and drum up investors for the pre-IPO funding. The specific spending categories included, but
2 were not limited to, organization cost, shell GTi CEA Solutions Corp., SEC legal costs and auditor fees,
3 marketing PR cost, and The Bulldog's America's JV Capital.

4 12. On August 18, 2016, Berkeley Bowl wrote a check (check number 221011) to New Age
5 Ventures International LLC (also known as NAVI) in the amount of \$100,000. On September 1, 2016,
6 Berkeley Bowl wrote a check (check number 221464) to New Age Ventures International LLC for
7 \$400,000. Both checks were deposited into a Citibank account ending in -9831, which was held by New
8 Age Ventures International LLC (hereinafter "NAVI account"), on August 22, 2016 and September 2,
9 2016, respectively.

10 13. The NAVI account was opened by Wallace and Westbroek on August 22, 2016.

11 14. Money was immediately withdrawn from the NAVI account to cover personal expenses
12 rather than expenses Berkeley Bowl was told their money would be spent on. Money was also
13 transferred to multiple bank accounts owned by Wallace. For example, some of the money was
14 transferred to Wallace's personal bank account held at Citibank, account ending -5962. Between August
15 24, 106 and October 10, 2017, \$95,513.62 was deposited into Wallace's personal bank account. Prior to
16 these deposits, Wallace's personal bank account balance was approximately \$2,400. Approximately
17 \$7,500 of the \$95,513.62 was not related to Berkeley Bowl's money.

18 15. Over \$88,000 of the total deposited was transferred in from other Wallace-owned
19 accounts. Approximately \$74,000 of the transferred deposits can be directly traced to Berkeley Bowl's
20 money. The remaining \$14,000 came from an account called Drummer International LLC, DBA
21 Drummer Bikes (hereinafter "the Drummer Account"), which had approximately \$602,000 of Berkeley
22 Bowl's money deposited into it and approximately \$19,000 of non-Berkeley Bowl deposits.

23 16. Between August 24, 2016 and October 10, 2017, Wallace spent \$81,969.73 from his
24 personal bank account and transferred \$12,000 to another account he held at Citibank. The money was
25 spent on expenses such as a trip to Las Vegas (\$4,607.99), at a Honda dealership (\$1,183.87), at DN
26 Brakes (\$1,190.33), on a cosmetic dentist (\$3,535.00), at Walmart (\$1,950.55), at Best Buy (\$2,272.58),
27 at an auto care center (\$2,876.79), to a car loan company (\$857.07), at a Miami, Florida luxury boutique
28 hotel (\$1,673.45) and over \$19,000.00 in cash withdrawals.

1 17. Berkeley Bowl's money was also transferred into the Drummer Account, which was
2 opened by Wallace on December 4, 2013.

3 18. Starting on August 26, 2016 through June 5, 2017, Wallace paid Guillermo Betancourt
4 \$16,900 from the Drummer Account to cover his son's (Richard Wallace) rent for property located in
5 Pompano Beach, Florida. Wallace also paid Best Beach Title Company, located in Miami, Florida,
6 \$46,884.59 from the Drummer Account to purchase property located in Pompano Beach, Florida, for his
7 son. On October 6, 2016, Wallace wired \$10,000.00 to Best Beach Title Company. On November 14,
8 2016, Wallace wired another \$36,959.34 to Best Beach Title Company. Prior to wiring money to Best
9 Beach Title Company, the Drummer Account only contained approximately \$7,000.00 of non-Berkeley
10 Bowl money.

11 19. On December 16, 2016, Westbrook emailed Steve Tsujimoto, Berkeley Bowl's General
12 Manager, and Wallace, stating that Wallace would stop by Berkeley Bowl to pick up a \$500,000.00
13 check. The email stated that the amount should have been paid on October 15, 2016, and that "[w]e
14 need the funds to set up International structures, deposits, working capital, and the cost of the IPO."

15 20. Westbrook also told several Berkeley Bowl employees that he and Wallace needed the
16 additional \$500,000.00 to be held in a European bank account, so that investors would believe they were
17 legit and had "skin" in the game.

18 21. On December 16, 2016, Berkeley Bowl wrote a check to GTI-HAVI Holding LLC in the
19 amount of \$500,000.00. On December 21, 2016, this check was deposited into a Citibank account
20 ending in -2085, which was held by GTI-NAVI Holding LLC. GTI-NAVI Holding LLC was
21 established by Wallace and Westbrook, and the GTI-NAVI Holding LLC bank account ending in -2085
22 was opened by Wallace and Westbrook on August 26, 2016.

23 22. Instead of spending the additional \$500,000.00 on what was described in Westbrook's
24 December 16, 2016 email and what was verbally told to other Berkeley Bowl employees, Wallace
25 deposited the money into a bank account held in the United States and some of the money was spent on
26 personal expenditures, including to Robert Kou for renting property in El Cerrito, California
27 (\$50,382.00), to his son Richard (\$10,000.00), to a real estate advisory company in Boca Raton, Florida
28 called SCS LLC (\$17,500.00), and to a school in Germany (\$3,284.20).

23. To date, Wallace and Westbroek have not brought any investors or money to fund GTI's indoor farming company.

24. On August 23, 2016, the Drummer Account had a balance of \$5,021.64. From August 24, 2016 to February 28, 2018, \$621,886.22 was deposited into the Drummer Account. Of the \$621,886.22, \$602,144.00 was Berkeley Bowl's money. \$12,000.00 of the deposited money was transferred into the Drummer Account from Wallace's personal bank account, which had approximately \$7,300.00 of total deposits of over \$95,000.00 of non-Berkeley Bowl money. The remaining \$19,742.22 (\$621,886.22 - \$602,144.00) was not associated with money obtained from Berkeley Bowl.

25. As of February 28, 2018, the Drummer Account held assets valued at approximately \$56,198.21.

26. On or about April 25, 2018, the United States obtained a seizure warrant, seeking to seize up to \$56,198.21 in funds from the Drummer Account, as property that constituted or was derived from proceeds traceable to wire fraud, a violation of Title 18, United States Code, Section 1343, and/or as property involved in money laundering, a violation of Title 18, United States Code, Sections 1956 and 1957.

27. At the time of service of the seizure warrant, only \$26,990.26 remained in the Drummer Account (the defendant currency).

28. On or about August 16, 2018, Reed Wallace submitted a claim for the defendant currency in response to the FBI's administrative forfeiture action.

FIRST CLAIM FOR RELIEF
18 U.S.C. § 981(a)(1)(C)
(forfeiture of proceeds traceable to wire fraud)

29. The United States incorporates by reference the allegations in paragraphs 1 through 28 as though fully set forth herein.

30. Title 18, United States Code, Section 1343 prohibits devising or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, by transmitting or causing to be transmitted by means of wire, radio, or television communications in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice.

31. Title 18, United States Code, Section 981(a)(1)(C) provides for the civil forfeiture of any property, real or personal, that constitutes or is derived from proceeds traceable to any offense constituting a “specified unlawful activity” or a conspiracy to commit such offense.

32. Title 18, United States Code, Sections 1956(c)(7) and 1961(1) define “specified unlawful activity” to include wire fraud, in violation of Title 18, United States Code, Section 1343.

33. In light of the foregoing and considering the totality of the circumstances, there is probable cause to believe that the defendant currency represents property that constitutes or is derived from proceeds traceable to wire fraud, in violation of Title 18, United States Code, section 1343, and thus subject to forfeiture under Title 18, United States Code, Sections 981(a)(1)(C), 1956(c)(7), and 1961(1).

SECOND CLAIM FOR RELIEF

18 U.S.C. § 981(a)(1)(A)

(forfeiture of property involved in money laundering transaction)

34. The United States incorporates by reference the allegations in paragraphs 1 through 33 as though fully set forth herein.

35. Title 18, United States Code, Section 1956 prohibits conducting or attempting to conduct a financial transaction with property that represents the proceeds of a specified unlawful activity, with the knowledge that the property is proceeds of a specified unlawful activity, with the intent to promote the carrying on of a specified unlawful activity or to evade taxes, or knowing the transaction is designed to conceal the nature, source location, ownership or control of the proceeds or to avoid reporting requirements.

36. Title 18, United States Code, Section 1957 prohibits knowingly engaging in or attempting to engage in a monetary transaction involving the proceeds of a specified unlawful activity of a value greater than \$10,000.00.

37. Title 18, United States Code, Section 981(a)(1)(A) provides for the civil forfeiture of any property, real or personal, involved in a transaction or attempted transaction in violation of sections 1956 or 1957 of Title 18 of the United States Code, or any property traceable to such property.

38. In light of the foregoing and considering the totality of the circumstances, there is probable cause to believe that the defendant currency represents property that was involved in a

1 transaction or attempted transaction in violation of Title 18, United States Code, Sections 1956 or 1957,
2 or that is traceable to such property, and thus subject to forfeiture under Title 18, United States Code,
3 Section 981(a)(1)(A).

4 WHEREFORE, plaintiff United States of America requests that due process issue to enforce the
5 forfeiture of the defendant currency; that notice be given to all interested parties to appear and show
6 cause why forfeiture should not be decreed; and that judgment of forfeiture be entered; that the Court
7 enter judgment forfeiting the defendant currency; and that the United States be awarded such other relief
8 as may be proper and just.

9
10 DATED: November 16, 2018

Respectfully submitted,

11 ALEX G. TSE
12 United States Attorney

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14 ERIN A. CORNELL
15 Assistant United States Attorney
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VERIFICATION

I, Mandy Britton, state as follows:

1. I am a Special Agent with the Federal Bureau of Investigation. I am the case agent assigned to this case. As such, I am familiar with the facts and the investigation leading to the filing of this Complaint for Forfeiture.

2. I have read the Complaint and believe the allegations contained in it to be true.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 15 day of November, 2018, in Concord, California.



MANDY BRITTON
Special Agent
Federal Bureau of Investigation

JS-CAND 44 (Rev. 06/17)

CIVIL COVER SHEET

The JS-CAND 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

United States of America

(b) County of Residence of First Listed Plaintiff
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

AUSA Erin A. Cornell, 450 Golden Gate Avenue, 9th Fl.,
San Francisco, CA 94102, (415) 436-7124

DEFENDANTS

Approximately \$26,990.26 in United States Currency

County of Residence of First Listed Defendant
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF
THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☒ 1 U.S. Government Plaintiff ☐ 3 Federal Question
(U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant ☐ 4 Diversity
(Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

	PTF	DEF		PTF	DEF
Citizen of This State	<input checked="" type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input checked="" type="checkbox"/> 4
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input checked="" type="checkbox"/> 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
110 Insurance	PERSONAL INJURY	625 Drug Related Seizure of Property 21 USC § 881	422 Appeal 28 USC § 158	375 False Claims Act
120 Marine	310 Airplane	<input checked="" type="checkbox"/> 690 Other	423 Withdrawal 28 USC § 157	376 Qui Tam (31 USC § 3729(a))
130 Miller Act	315 Airplane Product Liability	LABOR	PROPERTY RIGHTS	400 State Reapportionment
140 Negotiable Instrument	320 Assault, Libel & Slander	710 Fair Labor Standards Act	820 Copyrights	410 Antitrust
150 Recovery of Overpayment of Veteran's Benefits	330 Federal Employers' Liability	720 Labor/Management Relations	830 Patent	430 Banks and Banking
151 Medicare Act	340 Marine	740 Railway Labor Act	835 Patent—Abbreviated New Drug Application	450 Commerce
152 Recovery of Defaulted Student Loans (Excludes Veterans)	345 Marine Product Liability	751 Family and Medical Leave Act	840 Trademark	460 Deportation
153 Recovery of Overpayment of Veteran's Benefits	350 Motor Vehicle	790 Other Labor Litigation	SOCIAL SECURITY	470 Racketeer Influenced & Corrupt Organizations
160 Stockholders' Suits	355 Motor Vehicle Product Liability	791 Employee Retirement Income Security Act	861 HIA (1395ff)	480 Consumer Credit
190 Other Contract	360 Other Personal Injury	IMMIGRATION	862 Black Lung (923)	490 Cable/Sat TV
195 Contract Product Liability	362 Personal Injury -Medical Malpractice	462 Naturalization Application	863 DIWC/DIWW (405(g))	850 Securities/Commodities/Exchange
196 Franchise	CIVIL RIGHTS	465 Other Immigration Actions	864 SSID Title XVI	890 Other Statutory Actions
REAL PROPERTY	PRISONER PETITIONS		865 RSI (405(g))	891 Agricultural Acts
210 Land Condemnation	HABEAS CORPUS		FEDERAL TAX SUITS	893 Environmental Matters
220 Foreclosure	440 Other Civil Rights	463 Alien Detainee	870 Taxes (U.S. Plaintiff or Defendant)	895 Freedom of Information Act
230 Rent Lease & Ejectment	441 Voting	510 Motions to Vacate Sentence	871 IRS—Third Party 26 USC § 7609	896 Arbitration
240 Torts to Land	442 Employment	530 General		899 Administrative Procedure Act/Review or Appeal of Agency Decision
245 Tort Product Liability	443 Housing/Accommodations	535 Death Penalty		950 Constitutionality of State Statutes
290 All Other Real Property	445 Amer. w/Disabilities—Employment	OTHER		
	446 Amer. w/Disabilities—Other	540 Mandamus & Other		
	448 Education	550 Civil Rights		
		555 Prison Condition		
		560 Civil Detainee—Conditions of Confinement		

V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from Another District (specify) ☐ 6 Multidistrict Litigation—Transfer ☐ 8 Multidistrict Litigation—Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

18 U.S.C. §§ 981(a)(1)(A), (a)(1)(C)

Brief description of cause:

Fraud- and money laundering-related forfeiture

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, Fed. R. Civ. P. ☐

DEMAND \$ ☐

CHECK YES only if demanded in complaint:
JURY DEMAND: Yes ☒ No

VIII. RELATED CASE(S), IF ANY (See instructions):

JUDGE

DOCKET NUMBER

IX. DIVISIONAL ASSIGNMENT (Civil Local Rule 3-2)

(Place an "X" in One Box Only)

☒ SAN FRANCISCO/OAKLAND☐ SAN JOSE☐ EUREKA-MCKINLEYVILLE

DATE 11/16/2018

SIGNATURE OF ATTORNEY OF RECORD

